

**Minutes for the Committee for the Purchase  
of Commodities and Services from the Handicapped  
February 25, 1999**

**Attendance:** Tom Bell, Jack McComas, Curt Curtiss, Janice Holland, Linda Maniak, Trudy Oliver, Lee Dixon, Chris Miller, Steve King, and Debbie Bensey

The meeting was called to order by Tom Bell. A motion to approve the minutes of January 27 was made by Jack McComas and seconded by Janice Holland. The Financial Report was given by Janice Holland, the balance in the account is \$3,059.07. A motion was made by Jack McComas and seconded by Janice Holland to reimburse WVARF for the printing of the Annual Report.

Trudy Oliver was introduced as the new representative from the Dept. of Administration replacing Bill Charnock who has left the Department.

The report of Executive Secretary was given by Curt Curtiss. He reported that the Presort Contract is back in the hands of WVARF. He also reported that buyers have been reassigned and that Pam Jones is now in charge of 98% of WVARF's contracts. Curt suggested that WVARF members may want to attend the State Vendors Seminar which will be held May 17-19, 1999 at Canaan Valley. This seminar will concentrate on how to do business with the State of West Virginia. Curt also suggested that we may be interested in attending the WV Contractors Expo at the Civic Center in April.

The report of Executive Director was given by Steve King. Steve reported that although the presort contract is back in WVARF's hands the legal maneuver continue. Gallagher has filed suit against WVARF. Another concern to be aware of is that there is a definite trend among state agencies to "bundle contracts" or to put janitorial, snow removal, etc in the hands of the landlord of the building instead of separate contractors. Steve has expressed his concern to David Tincher and hopes to sit down and discuss alternatives with him. Curt suggested that Steve write to Secretary Marcus. Effective March 1, 1999 WVARF will have an opening for a Marketing Representative.

The report of Finance Director was given by Chris Miller. Chris reported that year to date sales were \$4,173,163. Receivables although still a concern were gradually improving. Tom Bell asked how much WVARF normally writes off in a year. Because of lack of documentation to aid in collections this number usually falls between \$5,000-\$6,000. Mr. Bell thought that was remarkable that we were able to keep it so low.

Contract Presentations were made by Debbie Bensey. All agencies had approved contracts prior to meeting. Curt Curtiss made a motion to approve contracts and Tom Bell seconded.

The meeting was adjourned. Next meeting will be March 31, 1999 at 9:30 a.m.

*Debbie Bensey*  
*Reward*

# *Jackson County Developmental Center, Inc.*

112 Industrial Lane



Millwood, WV 25262

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## Players

Jackson County Developmental Center, Inc. (JCDC)  
Consultec, Inc. (Consultec)  
WV Bureau of Medical Services (BMS)  
West Virginia Purchasing Division

## History

In 1988 JCDC was awarded the Statewide Contract – Data. We performed services for several agencies within the state. Most pertinent to this incident is Medicaid entry performed for the Bureau of Medical Services.

In 1992 BMS requested quotes to perform Medicaid Management Services. First Health was the current vendor who bid on the contract. One other company (Consultec) offered a bid.

JCDC and the West Virginia Association of Rehabilitation Facilities (WVARF) approached the Purchasing Division to reserve the data entry portion of the contract for JCDC under the State Use Law. Purchasing revised the Request for Quote with an addendum requiring the successful bidder to utilize JCDC as the data entry agent. In 1993 Consultec was awarded the contract and immediately entered into a contract with JCDC.

## Situation

JCDC understood in 1988 that electronic filing of claims would eventually eliminate most of the paper associated with filing claims. We did not count on a private company taking away the work. We can show through reports generated by Consultec that many of the claims that could have been and should have been processed by JCDC were held by Consultec for their employees. Ever so slowly JCDC has been ousted from our claim to work under the State Use Law. We have voiced our objections to BMS and the Purchasing Division for many years. Formal documentation began in September 1997. The outcome has been the total loss of Medicaid claims processing for JCDC employees.

## Significance

Of all the Medicaid claims filed by doctors, dentists, clinics, hospitals, and other Medicaid providers in West Virginia, 90% may be transmitted electronically. The information will be transmitted to Consultec in Tallahassee, Florida where workers will determine payment or denial of the claim. The other ten-percent remaining on paper will be processed by Consultec employees in Charleston. The procedure is so significant it bears repeating in another way. JCDC employees with disabilities will produce 0% Medicaid work. Consultec employees in Charleston will process 10% of the Medicaid claims. **Ninety percent (90%) of all Medicaid claims generated in the State of West**

**Virginia will be electronically transmitted to Florida providing jobs for people in Florida.** This is not only significant it is a shame.

#### Concern

The Purchasing Division made it a stipulation of the award that all data entry be performed by JCDC. We have documentation that Consultec held and processed claims that JCDC could have done and should have been doing. Because our contract is with Consultec, our only recourse is legal action.

#### Impact

State Use contracts are perfect opportunities for Community Rehabilitation Programs. The contract work provides a medium for training. Acquired skills can be used in the sheltered environment while other work behaviors are adequately developed. The skills learned can often be transferred into related jobs in the community. JCDC has employed literally hundreds of people in ten years. Many of those people have moved on to related work in the community. Many have chosen to remain employed by us.

#### Resolution

The Bureau of Medical Services understood and endorsed the addendum requiring its prime contractor to use JCDC. We contend that BMS eventually ignored the contract language and allowed a private concern to circumvent the State Use Law. We have come to learn that there is nothing we can do about it.

JCDC will listen to any advice and recommendations of the Governor's Committee. JCDC wants the Committee to be aware how easily agencies and private industries can sidestep a State Use contract. Community Rehabilitation Programs who are contemplating a partnership of their State Use contract with private industry need to be aware of the possible consequences. State Purchasing required the State Use Law be honored. Once awarded and we placed ourselves into a position of the sub-contractor of our own contract, the Law ceased to exist. We ask on behalf of all Community Rehabilitation Programs that the Governor's Committee keep a watchful eye on any like circumstances.